



CITY OF DURHAM | NORTH CAROLINA

Date: February 19, 2013

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Marvin G. Williams, Public Works Director
Subject: Resolution to Support the Upper Neuse River Basin Association (UNRBA)
Monitoring for the Re-Examination of the Falls Lake Stage 2 Goals

Executive Summary

At the February 20, 2013 Board meeting of the UNRBA, a revenue increase was discussed in order to begin work on the second step in the re-examination of the Falls Lake Nutrient Management Strategy goals. This second step includes monitoring and modeling of Falls Lake and the Falls Lake watershed that may occur over a period of four or more years. A subcommittee of the UNRBA has recommended fully funding all monitoring studies associated with the primary objectives of Lake Response Modeling and Support of Regulatory Options for a period of 4 years. The estimated cost of fully funding monitoring associated with these two objectives is estimated at up to \$4.4 million. The subcommittee recommended a lower level of funding for FY2014, at \$500,000 for monitoring, with an increase to \$800,000 in FY2015. This recommendation is being considered by the UNRBA member governments between the February and March meetings. The City of Durham currently contributes approximately \$60,000 per year to the UNRBA. The City of Durham contribution for FY2014 would increase to \$149,742.67.

Recommendation

The Administration recommends that the City Council adopt the resolution supporting the monitoring of Falls Lake and the Falls Lake Watershed and the increased contributions to the UNRBA.

Background

A re-examination of the Stage II goals of the Falls Lake Nutrient Management Strategy was identified in the Consensus Principles adopted by City Council on February 18, 2010 (Resolution #9707). The Consensus Principles also put forth a two stage strategy with the first stage designed to achieve the water quality standard for chlorophyll *a* in the lower lake, below Highway 50, where the water supply intake for the City Raleigh is located. (Chlorophyll *a* is a measure of the amount of algae in the water.) In March of 2011, the UNRBA member governments voted to increase revenue in order to begin the process of re-examining the Falls Lake Nutrient Management Strategy. (The City of Durham supported this UNRBA direction and revenue increase through Resolution # 9757.) The revenue increase was needed to fund two initiatives, as follows:

1. Hire an Executive Director, and
2. Contract with a consulting firm to develop a framework that addresses the technical, legal/regulatory and political needs to successfully accomplish a re-examination of the Stage II goals of the Falls Lake Nutrient Management Strategy.

Both of these initiatives were accomplished in early 2012.

The UNRBA contracted with Cardno ENTRIX in early 2012 to develop a framework to accomplish the re-examination of the Stage II goals, analyze and review the existing monitoring data for Falls Lake, evaluate the mass of nitrogen and phosphorus delivered to Falls Lake annually, describe methods of determining jurisdictional loads for both Stage I and Stage II, and provide recommendations on future monitoring and modeling to accomplish the re-examination. The recommendations on future monitoring and modeling were provided to UNRBA for review in December of 2012.

The next step in the re-examination is to conduct the field monitoring, modeling, and supporting technical analyses. A subcommittee of the UNRBA has recommended fully funding all monitoring studies associated with the primary objectives of Lake Response Modeling and Support of Regulatory Options for a period of 4 years. The estimated cost of fully funding monitoring associated with these two objectives is estimated at \$4.4 million. Averaged over four years, this would result in an annual spending rate of \$1.1 million. The subcommittee suggested an annual budget of \$800,000 to cover monitoring associated with the primary objectives. For FY2014, a reduced budget of \$500,000 was recommended. This reduced budget was recommended to allow for the development of supporting plans, operating procedures, and data management systems. Given the time needed to develop these additional supporting items, the subcommittee estimated that a partial year of monitoring is more likely to occur in FY2014.

The UNRBA member government contributions also cover the costs associated with the Executive Director position, budgeted at \$140,000 for FY2014. An additional \$3,500 is budgeted to cover other administrative items (e.g., tax preparation). The member governments have recently begun to discuss nutrient offsets and credits as they relate to the implementation of Stage I of the Falls Lake Nutrient Management Strategy. However, the development of nutrient offsets and credits is currently not recommended in the budget. Recognizing the need to raise additional funds to begin working on these items, and to continue to fund the Executive Director, the UNRBA member governments are seeking revenues of \$643,500 for FY2014.

The City of Durham has provided approximately \$60,000 per year to the UNRBA through the Departments of Water Management and Public Works. With a revenue goal of \$643,500, the City of Durham would contribute \$149,742.67 in FY2014. Other major contributors in FY2014 would be as follows:

City of Raleigh	\$179,267.41
Orange County	\$ 68,341.06
Durham County	\$ 57,296.11
Granville County	\$ 42,286.38

These local governments account for approximately 77% of the FY2014 revenue goal of \$643,500.

Alternatives

The alternative is to reject the resolution and the increased contributions to the UNRBA. This would result in a delay in monitoring and may negate the re-examination of the Falls Lake Stage II goals. Another outcome could be for the City to pursue the re-examination of the Falls Lake Stage II goals alone. In this case, the City would pay the full cost of the re-examination and dedicate staff time to manage the necessary contract(s).

Financial Impact

The City of Durham will pay the UNRBA \$149,742.67, from the FY2014 Public Works operating budget (Organization code 5500L041, Object code 728600, \$20,677.42) and the FY2014 Water Management operating budget (Organization code 5100P501, Object code 724300, \$129,065.25).

SDBE Summary

Not applicable

Attachments

Resolution #9757

Resolution #9707 (Support of Consensus Principles)

Proposed FY14 UNRBA member contributions

Resolution supporting UNRBA and FY14 dues increase